

USAID/Vietnam Competitiveness Initiative, Phase II (USAID/VNCI)
Monthly Report for November 2012

Project 30/ APCA

New reform initiative

- APCA was asked by Ministry of Justice (MOJ) leadership to draft a Master Plan on Simplification of citizen-related APs and Electronic Database of Citizens. The request came from the Government and the National Assembly as part of the preparation for the Law on Civil Registration. A VNCI expert, Vinh Dang, participated in APCA discussions and provided assistance in drafting the APCA's initial research proposal with comments, feedback and inputs from international experience.

AP Review

- With VNCI assistance the ACAPR's Working Group on certification completed the review of APs in the field. Three groups of APs in this field under review included: APs of notifying documents, APs of certifying documents, APs of certifying signatures in documents. The Working Group recommended several measures including simplifying the APs, expanding the function to notification organizations; expanding the certification function to commune level authorities, and notifying organizations of certification of signatures.
- Under APCA's thematic review program, the Vietnam Bar Association (VBA) completed their review of nationality related APs. The VBA recommended some measures to reduce the amount of processing time and setting up of one-stop-shops where more than one government agency is involved. Recommendations would be referred by APCA to the Ministry of Foreign Affairs.

Institutional support

- VNCI supported APCA on a self-funded study visit to three European countries (UK, Netherlands and Austria) to learn about their administrative reform initiatives. APCA, with MOJ's approval, plans to adopt some of these ideas, such as net burden reduction and ICT application for AP simplification, in Vietnam.
- The VNCI team supported the APCA Secretariat in developing its 2013 plan. VNCI advised APCA on using a strategic approach rather than the usual event-based approach in developing the plan.

Communication

- VNCI advised APCA on key themes to be communicated to all stakeholders in the future. In addition, the VNCI team provided comments and inputs on APCA's briefing pack to MOJ leaders.
- VNCI worked with the service provider to prepare for the hand-over of the new APCA website.

AP reform outreach

- VNCI team assisted APCA in participating in an IFC Workshop on "Administrative Reform Good Practices" in Singapore on November 27-28, 2012. We helped prepare and jointly presented a presentation on Vietnam's reform experience and APCA's M&E strategy. The presentation was well received by workshop participants.

Regulatory Reform and Regulatory Impact Assessment (RIA)

RIA training

- In November, VNCI organized three RIA training workshops for the Central Committee for Emulation & Rewarding at the Ministry of Home Affairs (MOHA) on November 5-6, for journalists on November 27-28 and for the Ministry of Construction on November 29-30. These workshops were well attended and participants expressed appreciation for presenting the RIA methodology on policy making and on commenting on policy proposals. The MOHA workshop also discussed the RIA report for the revised Law on Emulation & Commendation, which will be submitted to the National Assembly in May 2013.

Revision of the Law on Laws

- VNCI finalized the RIA report for revised Law on Laws before sending it to MOJ for comments.
- VNCI attended a seminar organized by Institute of Legal Science, MOJ on November 6. The purpose of the seminar was to collect feedback from a focused group for a research paper on RIA requirement in Vietnam for the purpose of revising the current Law on Laws. VNCI contributed a few ideas on how to improve the first draft of the research paper.

RIA outreach

- On November 14, 2012, VNCI provided support to the Department of Civil and Criminal Laws within the MOJ on the *RIA Guidebook*. The VNCI team agreed to provide MOJ with a draft version of the guidebook and fund the printing cost once the guidebook is finalized. As per the Law on Laws, the guidebook will serve as an official document published by MOJ to assist civil servants in performing RIAs.

The Provincial Competitiveness Index (PCI)

PCI 2012 index construction

- The PCI team worked on data processing and construction of the index and obtained initial results. The team is now reviewing the calculations and data to ensure equality and consistency.

PCI outreach

- Edmund Malesky, PCI's Lead Researcher, presented a snapshot of business sentiment at the Vietnam Business Forum in Hanoi on December 3, 2012. The objective of the presentation was to provide participants with latest investors' perception of the Vietnam's business climate and their changes in perception following the market turbulences this past Summer. A workshop on this issue was also held with academics to obtain comments. A meeting on this issue was also held with representatives of USAID and the US Embassy.

Support for PCI sustainability

- As VNCI will exit and USAID is exploring the possibility of providing a direct financial grant to VCCI to continue managing the PCI Report in the future, VNCI team is assisting VCCI and USAID on technical issues related to developing a plan without VNCI.

Infrastructure Financing/Development via Public-Private Partnerships

PPP project support

- *e-Government Procurement*: VNCI's consultant drafted an Information Memorandum, reviewed and provided comments on the Ubitec feasibility study, and advised the PPP Office on the expected required state contribution (Viability Gap Funding).
- *Dong Nai Inter-port Highway*: VNCI drafted a TOR for hiring an international consultant to prepare a pre-feasibility study (project proposal).
- *Soc Trang Wastewater Treatment Plant Expansion*: VNCI team participated in a site visit and drafted an assessment report for the Soc Trang ASA. The assessment includes a very high level financial study of the viability of the project and provides an anticipated PPP structuring options. Considering it is an expansion project, the private party will be able to realize revenues through the construction period. This is expected to increase the attractiveness of the project. A recommendation was made to move forward with a pre-feasibility study (Project Proposal).
- *Bien Hoa-Vung Tau Expressway and Ninh Binh-Bai Vot Expressway*: VNCI supported the PPP Office, as a regulator, in running Decision 71 due diligences on the feasibility studies and in reviewing the methodology to be used in determining the required state contribution.
- *Lao Bao Inland Container Port and Dong Ha Logistic Center in Quang Tri Province*: VNCI team prepared a preliminary assessment based on Quang Tri's available information. These projects appear to be potentially very attractive PPP project with opportunities to earn revenue through primary and secondary services. VNCI team also met with the ADB's Norconsult Group to discuss moving forward in supporting the Quang Tri ASA.

Institutional support

- *Government Steering Committee on PPP*: The Prime Minister approved and signed the Decision No. 1624 dated October 29, 2012 on establishing the PPP Steering Committee, chaired by Deputy Prime Minister Hoang Trung Hai. It showed a strong commitment from the GoV to support Decision 71. The first meeting of the Steering Committee took place on November 23, 2012. In addition to adopting the Steering Committee and meeting procedures, a discussion was held on the opportunities and challenges of implementing PPPs in Vietnam and the possibility of amending the legal framework to create a more enabling PPP environment. The potential project pipeline was also presented.
- *Support for Project Development Fund (PDF)*: VNCI's international consultant, Zach Kaplan, is developing the PDF Guidelines for review by the Ministry of Planning and Investment (MPI) and the Ministry of Finance (MoF). VNCI is also providing PPP training to the MPI and PPP Office. VNCI support in the preparation of the

Capacity building

- *Staff training*: USAID/VNCI funded a 5 day training course at AFC in Hanoi from November 8 to 15 for the PPP Office. The training focused on Project Finance Management and will provide the staff with capacity in appraising the financial and economic evaluation process of a project.

- *Canada study tour:* VNCI, supported the PPP Office, is preparing for a PPP study tour program for members of the newly created Inter-ministerial PPP Steering Committee. VNCI was also looking for co-sponsors for the tour.
- VNCI team met with some foreign and local private banks and other financial institutions to carry out market sounding on their interest in lending to or investing in long-term VND.
- VNCI met with DfID's head to update them on the PPP program and look for an opportunities for cooperation in the future.

Project Management

- USAID/VNCI is working with USAID and VCCI on the sustainability of PCI after the end of VNCI.
- USAID/VNCI is working with DAI home office on determining whether resources will be available for VNCI to request a "no cost" extension. USAID VNCI is also working the home office in preparing for the project closedown.